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11 **UNITED STATES BANKRUPTCY COURT**
12 **NORTHERN DISTRICT OF CALIFORNIA**
13 **SAN FRANCISCO DIVISION**

14 **In re:**

Case No. 19-30088 (DM)

15 **PG&E CORPORATION**

Chapter 11

16 **-and-**

(Lead Case)

17 **PACIFIC GAS AND ELECTRIC
COMPANY,**

(Jointly Administered)

18 **Debtors.**

19 **STATEMENT OF OFFICIAL
COMMITTEE OF UNSECURED
20 CREDITORS REGARDING MOTION
21 OF THE OFFICIAL COMMITTEE OF
TORT CLAIMANTS FOR STANDING
22 TO PROSECUTE CLAIMS OF THE
DEBTORS' ESTATES**

- 20 ☐ Affects PG&E Corporation
21 ☐ Affects Pacific Gas and Electric Company
22 ☒ Affects both Debtors

23 ** All papers shall be filed in the Lead Case,
No. 19-30088 (DM)*

24 **Hearing**

Date: April 7, 2020

Time: 10:00 a.m. (Pacific Time)

Place: Courtroom 17

450 Golden Gate Ave., 16th Fl.
San Francisco, CA 94102

The Official Committee of Unsecured Creditors (the “Creditors’ Committee”) appointed in the chapter 11 cases of PG&E Corporation and Pacific Gas and Electric Company (collectively, the “Debtors”) hereby files this statement (the “Statement”) regarding *The Official Committee of Tort Claimants’ Motion For Standing To Prosecute Claims Of The Debtors’ Estates* [Docket No. 5972] (the “Motion”).¹ The Creditors’ Committee respectfully states as follows:

STATEMENT

1. The Creditors' Committee welcomes the Stipulation and Agreement filed by the Debtors on March 23, 2020 [Docket No. 6435] (the "Stipulation") as it appears to resolve the Creditors' Committee's anticipated limited objection to the relief requested within the Motion.

2. The Creditors' Committee supports the TCC's request for standing "sole[ly]" to (i) confirm the interests of the Debtors' estates in the Shareholder Claims and Shareholder BK Claims (collectively, the "Claims") and, if those claims are determined to be derivative, (ii) enjoin further prosecution of the Pending Action and pursuit of the Securities POC. Stipulation at 3. Indeed, until a plan is confirmed in these cases, the Creditors' Committee's constituency may well have an interest in the Claims equal to all other creditors. The TCC's efforts are thus an appropriate use of estate resources, as they may benefit the Debtors' estates as a whole, as opposed to primarily parochial interests. The Creditors' Committee further reserves its rights to intervene in any action that may result if the Stipulation is approved.

3. The Creditors' Committee submits one clarifying note. Although the Stipulation expressly limits the TCC's standing to prosecute only the issues identified in the preceding paragraph, the Stipulation also purports to confer standing upon the TCC to commence and prosecute the Adversary Proceeding substantially in the form exhibited to the Motion. Stipulation at 3. That Adversary Proceeding, however, *also* seeks standing to confirm that the Claims are "Assigned Rights and Causes of Action" ("Assigned Claims") under the *Debtors' and Shareholder Proponents' Joint Chapter 11 Plan of Reorganization Dated March 16, 2020* [Docket No. 6320] (the "Plan"). See Proposed Complaint, attached as Exhibit B to the Motion [Docket

¹ Capitalized terms not defined herein have the meanings given them in the Motion.

1 No. 5972-2] at 20 (“Second Claim for Relief”). The TCC’s pursuit of such a declaration, to the
2 extent it survives the Stipulation, is premature.²

3 4. Subject to the foregoing clarification, advanced in an abundance of caution,
4 the Creditors’ Committee supports the Stipulation.

5
6 DATED: March 25, 2020

MILBANK LLP

/s/ Gregory A. Bray

DENNIS F. DUNNE

SAMUEL A. KHALIL

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THOMAS R. KRELLER

*Counsel for the Official Committee of Unsecured
Creditors*

26 ² Among other things, the TCC would be asking the Court to (i) interpret an agreement that is expressly subject
27 to a condition precedent—confirmation of the Plan in its current form—that has not occurred, (ii) issue an
28 advisory opinion, as no party, insofar as the Creditors’ Committee is aware, has taken the position that the
Claims, if determined to be derivative, are not Assigned Claims under the Plan, and (iii) pre-empt the
Debtors’ Schedule of Assigned Rights and Causes of Action, which may obviate the need to litigate the issue
at all.